

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUALA 04127 111002Z
ACTION EA-12

INFO OCT-01 ISO-00 PM-05 NSC-05 SP-02 SS-15 CIAE-00
INR-10 NSAE-00 PA-01 ICA-11 EB-08 L-03 /073 W
-----068901 111753Z /64
R 110821Z MAY 78
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 4175
SECDEF WASHDC

LIMITED OFFICIAL USE KUALA LUMPUR 4127

E.O.11652: N/A
TAGS: MASS, MY
SUBJECT: "NORTHROP CASE"

REF: KUALA LUMPUR 3872 AND PREVIOUS

1. SINCE THE OPENING OF THE CORRUPTION CASE AGAINST RETIRED
RMAF GROUP CAPTAIN AHMAD SHAH BIN HASHIM ON MAY 3, THE PROSECUTION
HAS EXAMINED, AMONG OTHER, AN OFFICIAL OF THE NATIONAL BUREAU OF
INVESTIGATION (NBI) AND THE BROTHER OF THE DEFENDANT'S EX-
EXECUTIVE OFFICER WHO OPENED SECRET SWISS AND SINGAPORE BANK
ACCOUNTS ON THE DEFENDANT'S BEHALF. THE QUESTIONING TO DATE HAS
CONCENTRATED PRIMARILY ON THE FINANCIAL CONTORTIONS BY WHICH FUNDS
WERE ROUTED TO THE DEFENDANT. THE IMPLIED IMPROPRIETY OF THE USE
OF A SWISS BANK ACCOUNT WAS STRESSED BY THE PROSECUTION AND
COMMENTED ON BY THE PRESIDING JUDGE. IN HIS TESTIMONY MAY 10
LOCAL NORTHROP CORPORATION REPRESENTATIVE ROBERT A. UHRIG TOLD THE
COURT THAT HIS COMPANY WAS NOT CONCERNED ABOUT HOW SYARIKAT
BUMIPUTRA, NORTHROP'S MALAYSIAN AGENT, DISTRIBUTED THE THREE
PERCENT
COMMISSION RECEIVED FOR THE SALE OF THE F-5 AIRCRAFT
UHRIG THEN IDENTIFIED LETTERS FROM SYARIKAT BUMIPUTRA REQUESTING

NORTHROP TO PAY ONE PERCENT DIRECT TO SYARIKAT BUMIPUTRA ONE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUALA 04127 111002Z

PERCENT TO A TIMOTHY ALLEN LEWIS IN BANGKOK (WHO UHRIG TOLD US
WAS A SIKORSKY REPRESENTATIVE WHO RECEIVED A FINDER'S FEE), AND
THE OTHER ONE PERCENT TO A BANK IN SWITZERLAND.

2. IN CONTRAST WITH PREVIOUS TESTIMONY AND REPORTING ON THE CASE,
THE PAST FIVE DAYS OF HEARINGS HAVE BY IMPLICATION BEEN CRITICAL OF

NORTHROP CORPORATION. DURING EXAMINATION, THE NBI OFFICER TESTIFIED THAT HE HAD WRITTEN TO THE CORPORATION IN OCTOBER 1977 SEEKING THE ASSISTANCE OF THE NORTHROP VICE-PRESIDENT AND GENERAL COUNSEL AND REQUESTING PERMISSION TO INTERVIEW FOUR NORTHROP EMPLOYEES WHO HAD BEEN INVOLVED IN THE EVALUATION AND NEGOTIATION FOR THE AIRCRAFT.

ACCORDING TO THE WITNESS, THIS REQUEST WAS DENIED. THE WITNESS FURTHER TESTIFIED THAT HE THEN FLEW TO LOS ANGELES TO PURSUE THE MATTER FURTHER AND, ALTHOUGH HE WAS AGAIN DENIED PERMISSION TO INTERVIEW THE EMPLOYEES, HE DID RECEIVE 16 DOCUMENTS PERTAINING TO

THE CASE. PRESS REPORTS OF THE TESTIMONY CLEARLY SUGGESTED THAT NORTHROP CORPORATION HAD NOT BEEN COOPERATIVE IN THE INVESTIGATION.

3. COMMENT: WHILE NORTHROP DOES NOT STAND DIRECTLY ACCUSED OF WRONGDOING, IT NONETHELESS IS TAKING A PUBLIC RELATIONS BEATING. THE IMPACT OF TESTIMONY AND PRESS COVERAGE TO DATE IS TO TAR THE CORPORATION WITH THE BRUSH OF THE DEFENDANT'S CORRUPTION, AND INDEED THE CASE IS REFERRED TO IN THE PRESS AS THE "NORTHROP GRAFT TRIAL."

4. ALTHOUGH MOST OF THE DETAILS OF THE CASE ARE BURIED IN FINE PRINT REPORTING OF THE TRIAL PROCEEDINGS AND HENCE PROBABLY NOT WIDELY READ, THE "NORTHROP AFFAIR" COULD BE HIGHLIGHTED BY OPPOSITION PARTIES IN THE COMING GENERAL ELECTIONS (WIDELY EXPECTED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 KUALA 04127 111002Z

TO BE HELD THIS SUMMER) ALONG WITH OTHER INSTANCES OF ALLEGED CORRUPTION IN HIGH PLACES.

5. IT IS HARD TO ASSESS AT THIS POINT WHAT, IF ANY, INHIBITING EFFECT THIS TRIAL MAY HAVE ON GOM'S INTEREST IN PURCHASING ADDITIONAL F-5'S.

6. COPIES OF PRESS ACCOUNTS OF TRIAL BEING POUCHED TO DEPT., C/O EA/TIMBS.
MILLER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORRUPTION, BRIBERY, MILITARY AIRCRAFT, INVESTIGATIONS, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 11 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUALA04127
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780200-1007
Format: TEL
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780570/aaaachgk.tel
Line Count: 104
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d6298ea0-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 KUALA LUMPUR 3872
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2725412
Secure: OPEN
Status: NATIVE
Subject: NORTHROP CASE
TAGS: MASS, MY, NORTHROP
To: STATE DOD
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/d6298ea0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014